



STATE OF CALIFORNIA
Franchise Tax Board

FTB Cannabis Update

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FTB Cannabis Journey



FTB Cannabis Journey

- Proposition 64 / Senate Bill 94
 - Formed departmental team
 - Exception based cash policy
 - Collaboration
 - Other agencies
 - Industry experts



FTB Cannabis Journey

- Education and Outreach
 - Webpage
 - Email: FTBcannabis@ftb.ca.gov
 - Workshops and symposiums



FTB Cannabis Journey

- Education and Outreach

**I Own a Cannabis Business.
Where do I find Tax Information?**

Income Tax
California taxes its residents on all income, including income from cannabis business activities. California taxes non-residents on income from California sources. All income apportioned to California by business entities is taxable. Income from entities organized as not-for-profit is also taxable. For information about California income tax for cannabis business activities, visit ftb.ca.gov/Cannabis.

Sales, Use, and Cannabis Taxes
If you operate a cannabis business in California, you generally are required to register and file tax returns with the California Department of Tax and Fee Administration. For information about the requirements that apply to your business, view the Tax Guide for Cannabis Businesses at cdtfa.ca.gov/Industry/Cannabis.htm.

Payroll Taxes
California businesses that hire employees to perform services are required by law to withhold, report, and pay payroll taxes. For information about cannabis industry payroll tax and reporting, visit edd.ca.gov/Cannabis.

Logos: FTB STATE OF CALIFORNIA Franchise Tax Board, California Department of Tax and Fee Administration, EDD Employment Development Department State of California.

SIDE 1



FTB Cannabis Journey

- Education and Outreach

Payment Options
Generally, state agencies do not accept cash payment for taxes. If paying in cash is necessary to avoid undue hardship, you may request an exemption. Go to the applicable state department website on SIDE 1 for more information.

Recordkeeping
California law requires that you keep accurate and complete documentation to support all business activities.

Additional Information for your Cannabis Business

Local Licensing
Cannabis businesses must get any required licenses and permits from their city or county government prior to applying for a state license.

State Licensing Agencies

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Bureau of Cannabis Control Website: bcc.ca.gov License Types: Testing laboratories, distribution, retail, micro-businesses | CalCannabis Cultivation Licensing, California Department of Food and Agriculture Website: cannabis.cdfa.ca.gov License Types: Cultivation | California Department of Public Health Website: cdph.ca.gov License Types: Manufacturing |
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Other Resources

- cannabis.ca.gov
- businessportal.ca.gov
- bizfile.sos.ca.gov
- taxes.ca.gov

FTB 4020 (NEW 10-2017)
SIDE 2



FTB Cannabis Journey

- Sub Teams:
 - Operational
 - Education/Outreach
 - Compliance
 - Legislation



FTB Cannabis Journey

- Education and Outreach
 - Facebook Live: Cash Basis Taxpayers
 - Bureau of Cannabis Control Workshops
 - Hosted Interested Parties Meetings



FTB Cannabis Journey

- Cash Process
 - CDTFA Phase 1
 - Forms and Web updates
- Education and Outreach
 - Webinar | YouTube
 - Workshops and symposiums



FTB Cannabis Journey

- Track Developments
 - Federal and Statewide
 - Legislation
 - Banking



Questions?